

63B-6-101. State Bonding Commission authorized to issue general obligation bonds.

The commission created under Section 63B-1-201 may issue and sell general obligation bonds of the state pledging the full faith, credit, and resources of the state for the payment of the principal of and interest on the bonds to provide funds to the division.

Enacted by Chapter 391, 1997 General Session

63B-6-102. Maximum amount -- Projects authorized.

(1) The total amount of bonds issued under this part may not exceed \$57,000,000.

(2) (a) Proceeds from the issuance of bonds shall be provided to the division to provide funds to pay all or part of the cost of acquiring and constructing the projects listed in this Subsection (2).

(b) These costs may include the cost of acquiring land, interests in land, easements and rights-of-way, improving sites, and acquiring, constructing, equipping, and furnishing facilities and all structures, roads, parking facilities, utilities, and improvements necessary, incidental, or convenient to the facilities, interest estimated to accrue on these bonds during the period to be covered by construction of the projects plus a period of six months after the end of the construction period, and all related engineering, architectural, and legal fees.

(c) For the division, proceeds shall be provided for the following:

CAPITAL AND ECONOMIC DEVELOPMENT

PROJECT DESCRIPTION	AMOUNT FUNDED	ESTIMATED OPERATIONS AND MAINTENANCE
Youth Corrections - Carbon / Emery (18 beds)	\$2,298,100	\$70,000
State Hospital - 100 bed Forensic Facility	\$13,800,700	\$320,600
Utah State University - Widtsoe Hall	\$23,986,700	\$750,200
Davis Applied Technology Center - Medical/Health Tech Addition	\$6,344,900	\$144,000
Southern Utah University -- Physical Education Building (Design)	\$1,100,000	\$456,100
Salt Lake Community College -- High Technology Building, 90th So. Campus (Design)	\$1,165,000	\$718,500
Department of Natural Resources - Antelope Island Road	\$3,600,000	None

Youth Corrections - Region 1 72 Secured Bed Facility	\$1,500,000	None
Department of Natural Resources - Dead Horse Point Visitors Center	\$1,350,000	\$5,700
TOTAL CAPITAL AND ECONOMIC DEVELOPMENT	\$55,145,400	

- (d) For purposes of this section, operations and maintenance costs:
- (i) are estimates only;
 - (ii) may include any operations and maintenance costs already funded in existing agency budgets; and
 - (iii) are not commitments by this Legislature or future Legislatures to fund those operations and maintenance costs.
- (3) (a) The amounts funded as listed in Subsection (2) are estimates only and do not constitute a limitation on the amount that may be expended for any project.
- (b) The board may revise these estimates and redistribute the amount estimated for a project among the projects authorized.
- (c) The commission, by resolution and in consultation with the board, may delete one or more projects from this list if the inclusion of that project or those projects in the list could be construed to violate state law or federal law or regulation.
- (4) (a) The division may enter into agreements related to these projects before the receipt of proceeds of bonds issued under this chapter.
- (b) The division shall make those expenditures from unexpended and unencumbered building funds already appropriated to the Capital Projects Fund.
- (c) The division shall reimburse the Capital Projects Fund upon receipt of the proceeds of bonds issued under this chapter.
- (d) The commission may, by resolution, make any statement of intent relating to that reimbursement that is necessary or desirable to comply with federal tax law.
- (5) (a) For those projects for which only partial funding is provided in Subsection (2), it is the intent of the Legislature that the balance necessary to complete the projects be addressed by future Legislatures, either through appropriations or through the issuance or sale of bonds.
- (b) For those phased projects, the division may enter into contracts for amounts not to exceed the anticipated full project funding but may not allow work to be performed on those contracts in excess of the funding already authorized by the Legislature.
- (c) Those contracts shall contain a provision for termination of the contract for the convenience of the state.
- (d) It is also the intent of the Legislature that this authorization to the division does not bind future Legislatures to fund projects initiated from this authorization.

Amended by Chapter 196, 2014 General Session

63B-6-103. Use of bond proceeds for issuance and other costs.

The proceeds of bonds issued under this chapter shall be used for the purposes described in Section 63B-6-102 and to pay all or part of any cost incident to the

issuance and sale of the bonds including, without limitation, printing, registration and transfer costs, legal fees, trustees' fees, financial advisors' fees, and underwriters' discounts.

Enacted by Chapter 391, 1997 General Session

63B-6-104. Manner of issuance -- Amounts, interest, and maturity.

(1) Bonds issued under this chapter may be authorized, sold, and issued at times and in a manner determined by the commission by resolution.

(2) Bonds may be issued in one or more series, in amounts, and shall bear dates, interest rate or rates, including a variable rate, and maturity dates as the commission determines by resolution.

(3) A bond issued may not mature later than 20 years after the date of final passage of this chapter.

Enacted by Chapter 391, 1997 General Session

63B-6-105. Terms and conditions of sale -- Plan of financing -- Signatures -- Replacement -- Registration -- Federal rebate.

(1) In the issuance of bonds, the commission may determine by resolution:

- (a) the manner of sale, including public or private sale;
- (b) the terms and conditions of sale, including price, whether at, below, or above face value;
- (c) denominations;
- (d) form;
- (e) manner of execution;
- (f) manner of authentication;
- (g) place and medium of purchase;
- (h) redemption terms; and
- (i) other provisions and details it considers appropriate.

(2) The commission may by resolution adopt a plan of financing, which may include terms and conditions of arrangements entered into by the commission on behalf of the state with financial and other institutions for letters of credit, standby letters of credit, reimbursement agreements, and remarketing, indexing, and tender agent agreements to secure the bonds, including payment from any legally available source of fees, charges, or other amounts coming due under the agreements entered into by the commission.

(3) (a) Any signature of a public official authorized by resolution of the commission to sign the bonds may be a facsimile signature of that official imprinted, engraved, stamped, or otherwise placed on the bonds.

(b) If all signatures of public officials on the bonds are facsimile signatures, provision shall be made for a manual authenticating signature on the bonds by or on behalf of a designated authentication agent.

(c) If an official ceases to hold office before delivery of the bonds signed by that official, the signature or facsimile signature of the official is nevertheless valid for all purposes.

(d) A facsimile of the state seal may be imprinted, engraved, stamped, or otherwise placed on the bonds.

(4) (a) The commission may enact resolutions providing for the replacement of lost, destroyed, or mutilated bonds, or for the exchange of bonds after issuance for bonds of smaller or larger denominations.

(b) Bonds in changed denominations shall:

(i) be exchanged for the original bonds in like aggregate principal amounts and in a manner that prevents the duplication of interest; and

(ii) bear interest at the same rate, mature on the same date, and be as nearly as practicable in the form of the original bonds.

(5) (a) Bonds may be registered as to both principal and interest or may be in a book entry form under which the right to principal and interest may be transferred only through a book entry.

(b) The commission may provide for the services and payment for the services of one or more financial institutions or other entities or persons, or nominees, within or outside the state, for the authentication, registration, transfer, including record, bookkeeping, or book entry functions, exchange, and payment of the bonds.

(c) The records of ownership, registration, transfer, and exchange of the bonds, and of persons to whom payment with respect to the obligations are made, are private records as provided in Section 63G-2-302 or protected records as provided in Section 63G-2-305.

(d) The bonds and any evidences of participation interest in the bonds may be issued, executed, authenticated, registered, transferred, exchanged, and otherwise made to comply with Title 15, Chapter 7, Registered Public Obligations Act, or any other act of the Legislature relating to the registration of obligations enacted to meet the requirements of Section 149 of the Internal Revenue Code of 1986, as amended, or any successor to it, and applicable regulations.

(6) The commission may:

(a) by resolution, provide for payment to the United States of whatever amounts are necessary to comply with Section 148 (f) of the Internal Revenue Code of 1986, as amended; and

(b) enter into agreements with financial and other institutions and attorneys to provide for:

(i) the calculation, holding, and payment of those amounts; and

(ii) payment from any legally available source of fees, charges, or other amounts coming due under any agreements entered into by the commission.

Amended by Chapter 382, 2008 General Session

63B-6-106. Constitutional debt limitation.

(1) The commission may not issue bonds under this chapter in an amount that violates the limitation described in Utah Constitution Article XIV, Section 1.

(2) For purposes of applying the debt limitation contained in Utah Constitution Article XIV, Section 1, the value of the taxable property in Utah is considered to be 100% of the fair market value of the taxable property of the state, as computed from the last assessment for state purposes previous to the issuance of the bonds.

Enacted by Chapter 391, 1997 General Session

63B-6-107. Tax levy -- Abatement of tax.

(1) Each year after issuance of the bonds and until all outstanding bonds are retired, there is levied a direct annual tax on all real and personal property within the state subject to state taxation, sufficient to pay:

- (a) applicable bond redemption premiums, if any;
- (b) interest on the bonds as it becomes due; and
- (c) principal of the bonds as it becomes due.

(2) (a) The State Tax Commission shall fix the rate of the direct annual tax levy each year.

(b) The tax shall be collected and the proceeds applied as provided in this chapter.

(3) The direct annual tax imposed under this section is abated to the extent money is available from sources, other than ad valorem taxes in the sinking fund, for the payment of bond interest, principal, and redemption premiums.

Enacted by Chapter 391, 1997 General Session

63B-6-108. Creation of sinking fund.

(1) There is created a sinking fund, to be administered by the state treasurer, entitled the "1997 General Obligation Bonds Sinking Fund."

(2) All money deposited in the sinking fund, from whatever source, shall be used to pay debt service on the bonds.

(3) The proceeds of all taxes levied under this chapter are appropriated to this fund.

(4) The state treasurer may create separate accounts within the sinking fund for each series of bonds issued.

Enacted by Chapter 391, 1997 General Session

63B-6-109. Payment of interest, principal, and redemption premiums.

(1) The Division of Finance shall draw warrants on the state treasury before any interest, principal, or redemption premiums become due on the bonds.

(2) After receipt of the warrants, the state treasurer shall:

- (a) promptly pay the warrants from funds within the sinking fund; and
- (b) immediately transmit the amount paid to the paying agent for the bonds.

Enacted by Chapter 391, 1997 General Session

63B-6-110. Investment of sinking fund money.

(1) The state treasurer may, by following the procedures and requirements of Title 51, Chapter 7, State Money Management Act, invest any money contained in the sinking fund until it is needed for the purposes for which the fund is created.

(2) Unless otherwise provided in the resolution of the commission authorizing

the issuance of bonds under this chapter, the treasurer shall retain all income from the investment of any money contained in the sinking fund in the sinking fund and use it for the payment of debt service on the bonds.

Enacted by Chapter 391, 1997 General Session

63B-6-111. Bond proceeds -- Deposits -- Investment -- Disposition of investment income and unexpended proceeds.

(1) (a) Proceeds from the sale of bonds issued under this chapter shall be deposited within one or more accounts as determined by resolution of the commission.

(b) The state treasurer shall administer and maintain these accounts unless otherwise provided by the commission by resolution.

(c) The commission by resolution may provide for the deposit of the money with a trustee and the administration, disposition, or investment of the money by this trustee.

(2) (a) The commission by resolution shall provide for the kinds of investments in which the proceeds of bonds issued under this chapter may be invested.

(b) Income from the investment of proceeds of bonds issued under this chapter shall be applied as provided by resolution of the commission.

(3) Any unexpended bond proceeds issued under this chapter shall be deposited, upon completion of the purposes for which the bonds were issued, in the sinking fund, unless otherwise provided in the resolution of the commission authorizing the issuance of bonds under this chapter.

Amended by Chapter 342, 2011 General Session

63B-6-112. Refunding of bonds.

(1) The commission may provide for the refunding of any of the bonds in accordance with Title 11, Chapter 27, Utah Refunding Bond Act.

(2) For purposes of Title 11, Chapter 27, Utah Refunding Bond Act, the state of Utah is considered the public body and the commission its governing body.

Enacted by Chapter 391, 1997 General Session

63B-6-113. Certification of satisfaction of conditions precedent -- Conclusiveness.

(1) The commission may not issue any bond under this chapter until it finds and certifies that all conditions precedent to issuance of the bonds have been satisfied.

(2) A recital on any bond of this finding and certification conclusively establishes the completion and satisfaction of all conditions precedent.

Enacted by Chapter 391, 1997 General Session

63B-6-114. Tax exemption.

The bonds issued under this chapter, any interest paid on the bonds, and any income from the bonds are not taxable in this state for any purpose, except for the corporate franchise tax.

Enacted by Chapter 391, 1997 General Session

63B-6-115. Legal investment status.

Bonds issued under this chapter are legal investments for all state trust funds, insurance companies, banks, trust companies, and the State School Fund and may be used as collateral to secure legal obligations.

Enacted by Chapter 391, 1997 General Session

63B-6-116. Publication of resolution or notice -- Limitation on actions to contest legality.

- (1) The commission may:
 - (a) publish any resolution it adopts under this chapter:
 - (i) once in a newspaper having general circulation in Utah; and
 - (ii) as required in Section 45-1-101; or
 - (b) in lieu of publishing the entire resolution, publish a notice of bonds to be issued, titled as such, containing the information required in Subsection 11-14-316(2).
- (2) (a) Any interested person, for 30 days after the date of publication, may contest:
 - (i) the legality of the resolution;
 - (ii) any of the bonds authorized under it; or
 - (iii) any of the provisions made for the security and repayment of the bonds.
- (b) After 30 days, a person may not contest the legality of the resolution, any of the bonds authorized under it, or any of the provisions made for the security and repayment of the bonds for any cause.

Amended by Chapter 388, 2009 General Session

63B-6-117. Report to Legislature.

The governor shall report the commission's proceedings to each annual general session of the Legislature in his budget for as long as bonds issued under this chapter remain outstanding.

Enacted by Chapter 391, 1997 General Session

63B-6-201. State Bonding Commission authorized to issue general obligation bonds.

The commission created under Section 63B-1-201 may issue and sell general obligation bonds of the state pledging the full faith, credit, and resources of the state for the payment of the principal of and interest on the bonds, to provide funds to the Department of Transportation.

Enacted by Chapter 270, 1997 General Session

63B-6-202. Maximum amount -- Projects authorized.

(1) The total amount of bonds issued under this part may not exceed \$600,000,000.

(2) (a) Proceeds from the issuance of bonds shall be provided to the Department of Transportation to provide funds to pay all or part of the costs of state highway construction projects.

(b) These costs may include the cost of acquiring land, interests in land, easements and rights-of-way, improving sites, and making all improvements necessary, incidental, or convenient to the facilities, interest estimated to accrue on these bonds during the period to be covered by construction of the projects plus a period of six months after the end of the construction period, interest estimated to accrue on any bond anticipation notes issued under the authority of Chapter 6, Part 3, Highway Bond Anticipation Note Authorization, and all related engineering, architectural, and legal fees.

(3) If, after completion of the projects authorized under Subsection (2)(a) and payment of the costs of issuing and selling the bonds under Section 63B-6-203, any bond proceeds remain unexpended, the Department of Transportation may use those unexpended proceeds to pay all or part of the costs of construction projects approved by the Transportation Commission.

(4) The commission, may, by resolution, make any statement of intent relating to a reimbursement that is necessary or desirable to comply with federal tax law.

(5) The Department of Transportation may enter into agreements related to that project before the receipt of proceeds of bonds issued under this chapter.

Amended by Chapter 316, 1998 General Session

63B-6-203. Bond proceeds may be used to pay costs of issuance and sale.

The proceeds of bonds issued under this chapter shall be used for the purposes described in Section 63B-6-202 and to pay all or part of any cost incident to the issuance and sale of the bonds including, without limitation, printing, registration and transfer costs, legal fees, trustees' fees, financial advisors' fees, and underwriters' discount.

Enacted by Chapter 270, 1997 General Session

63B-6-204. Manner of issuance -- Amounts, interest, and maturity.

(1) Bonds issued under this chapter may be authorized, sold, and issued at times and in a manner determined by the commission by resolution.

(2) Bonds may be issued in one or more series, in amounts, and shall bear dates, interest rates, including a variable rate, and maturity dates as the commission determines by resolution.

(3) A bond issued may not mature later than 20 years after the date of final passage of this chapter.

Enacted by Chapter 270, 1997 General Session

**63B-6-205. Terms and conditions of sale -- Plan of financing -- Signatures
-- Replacement -- Registration -- Federal rebate.**

- (1) In the issuance of bonds, the commission may determine by resolution:
 - (a) the manner of sale, including public or private sale;
 - (b) the terms and conditions of sale, including price, whether at, below, or above face value;
 - (c) denominations;
 - (d) form;
 - (e) manner of execution;
 - (f) manner of authentication;
 - (g) place and medium of purchase;
 - (h) redemption terms; and
 - (i) other provisions and details it considers appropriate.
- (2) The commission may, by resolution, adopt a plan of financing, which may include terms and conditions of arrangements entered into by the commission on behalf of the state with financial and other institutions for letters of credit, standby letters of credit, reimbursement agreements, and remarketing, indexing, and tender agent agreements to secure the bonds, including payment from any legally available source of fees, charges, or other amounts coming due under the agreements entered into by the commission.
- (3)
 - (a) Any signature of a public official authorized by resolution of the commission to sign the bonds may be a facsimile signature of that official imprinted, engraved, stamped, or otherwise placed on the bonds.
 - (b) If all signatures of public officials on the bonds are facsimile signatures, provision shall be made for a manual authenticating signature on the bonds by or on behalf of a designated authentication agent.
 - (c) If an official ceases to hold office before delivery of the bonds signed by that official, the signature or facsimile signature of the official is nevertheless valid for all purposes.
 - (d) A facsimile of the state seal may be imprinted, engraved, stamped, or otherwise placed on the bonds.
- (4)
 - (a) The commission may enact resolutions providing for the replacement of lost, destroyed, or mutilated bonds, or for the exchange of bonds after issuance for bonds of smaller or larger denominations.
 - (b) Bonds in changed denominations shall:
 - (i) be exchanged for the original bonds in like aggregate principal amounts and in a manner that prevents the duplication of interest; and
 - (ii) bear interest at the same rate, mature on the same date, and be as nearly as practicable in the form of the original bonds.
- (5)
 - (a) Bonds may be registered as to both principal and interest or may be in a book entry form under which the right to principal and interest may be transferred only through a book entry.
 - (b) The commission may provide for the services and payment for the services of one or more financial institutions or other entities or persons, or nominees, within or outside the state, for the authentication, registration, transfer, including record, bookkeeping, or book entry functions, exchange, and payment of the bonds.

(c) The records of ownership, registration, transfer, and exchange of the bonds, and of persons to whom payment with respect to the obligations is made, are private records as provided in Section 63G-2-302, or protected records as provided in Section 63G-2-305.

(d) The bonds and any evidences of participation interest in the bonds may be issued, executed, authenticated, registered, transferred, exchanged, and otherwise made to comply with Title 15, Chapter 7, Registered Public Obligations Act, or any other act of the Legislature relating to the registration of obligations enacted to meet the requirements of Section 149 of the Internal Revenue Code of 1986, as amended, or any successor to it, and applicable regulations.

(6) The commission may:

(a) by resolution, provide for payment to the United States of whatever amounts are necessary to comply with Section 148 (f) of the Internal Revenue Code of 1986, as amended; and

(b) enter into agreements with financial and other institutions and attorneys to provide for:

(i) the calculation, holding, and payment of those amounts; and

(ii) payment from any legally available source of fees, charges, or other amounts coming due under any agreements entered into by the commission.

Amended by Chapter 382, 2008 General Session

63B-6-206. Constitutional debt limitation.

(1) The commission may not issue bonds under this chapter in an amount that violates the limitation described in Utah Constitution Article XIV, Section 1.

(2) For purposes of applying the debt limitation contained in Utah Constitution Article XIV, Section 1, the value of the taxable property in Utah is considered to be 100% of the fair market value of the taxable property of the state, as computed from the last assessment for state purposes previous to the issuance of the bonds.

Enacted by Chapter 270, 1997 General Session

63B-6-207. Tax levy -- Abatement of tax.

(1) Each year after issuance of the bonds and until all outstanding bonds are retired, there is levied a direct annual tax on all real and personal property within the state subject to state taxation, sufficient to pay:

(a) applicable bond redemption premiums, if any;

(b) interest on the bonds as it becomes due; and

(c) principal of the bonds as it becomes due.

(2) (a) The State Tax Commission shall fix the rate of the direct annual tax levy each year.

(b) The tax shall be collected and the proceeds applied as provided in this chapter.

(3) The direct annual tax imposed under this section is abated to the extent money is available from sources, other than ad valorem taxes in the sinking fund, for the payment of bond interest, principal, and redemption premiums.

Enacted by Chapter 270, 1997 General Session

63B-6-208. Creation of sinking fund.

(1) There is created a sinking fund, to be administered by the state treasurer, entitled the "1997 Highway General Obligation Bonds Sinking Fund."

(2) All money deposited in the sinking fund, from whatever source, shall be used to pay debt service on the bonds.

(3) The proceeds of all taxes levied under this chapter are appropriated to this fund.

(4) The state treasurer may create separate accounts within the sinking fund for each series of bonds issued.

Enacted by Chapter 270, 1997 General Session

63B-6-209. Payment of interest, principal, and redemption premiums.

(1) The Division of Finance shall draw warrants on the state treasury before any interest, principal, or redemption premiums become due on the bonds.

(2) After receipt of the warrants, the state treasurer shall:

(a) promptly pay the warrants from funds within the sinking fund; and

(b) immediately transmit the amount paid to the paying agent for the bonds.

Enacted by Chapter 270, 1997 General Session

63B-6-210. Investment of sinking fund money.

(1) The state treasurer may, by following the procedures and requirements of Title 51, Chapter 7, State Money Management Act, invest any money contained in the sinking fund until it is needed for the purposes for which the fund is created.

(2) Unless otherwise provided in the resolution of the commission authorizing the issuance of bonds under this chapter, the treasurer shall retain all income from the investment of any money contained in the sinking fund in the sinking fund and use it for the payment of debt service on the bonds.

Enacted by Chapter 270, 1997 General Session

63B-6-211. Bond proceeds -- Deposits -- Investment -- Disposition of investment income and unexpended proceeds.

(1) (a) Proceeds from the sale of bonds issued under this chapter shall be deposited within one or more accounts as determined by resolution of the commission.

(b) The state treasurer shall administer and maintain these accounts unless otherwise provided by the commission by resolution.

(c) The commission, by resolution, may provide for the deposit of the money with a trustee and the administration, disposition, or investment of the money by this trustee.

(2) (a) The commission, by resolution, shall provide for the kinds of investments in which the proceeds of bonds issued under this chapter may be invested.

(b) Income from the investment of proceeds of bonds issued under this chapter shall be applied as provided by resolution of the commission.

(3) Any unexpended bond proceeds issued under this chapter shall be deposited, upon completion of the purposes for which the bonds were issued, in the sinking fund, unless otherwise provided in the resolution of the commission authorizing the issuance of bonds under this chapter.

Amended by Chapter 342, 2011 General Session

63B-6-212. Refunding of bonds.

(1) The commission may provide for the refunding of any of the bonds in accordance with Title 11, Chapter 27, Utah Refunding Bond Act.

(2) For purposes of Title 11, Chapter 27, Utah Refunding Bond Act, the state of Utah is considered the public body and the commission its governing body.

Enacted by Chapter 270, 1997 General Session

63B-6-213. Certification of satisfaction of conditions precedent -- Conclusiveness.

(1) The commission may not issue any bond under this chapter until it finds and certifies that all conditions precedent to issuance of the bonds have been satisfied.

(2) A recital on any bond of this finding and certification conclusively establishes the completion and satisfaction of all such conditions.

Enacted by Chapter 270, 1997 General Session

63B-6-214. Tax exemption.

The bonds issued under this chapter, any interest paid on the bonds, and any income from the bonds are not taxable in this state for any purpose, except for the corporate franchise tax.

Enacted by Chapter 270, 1997 General Session

63B-6-215. Legal investment status.

Bonds issued under this chapter are legal investments for all state trust funds, insurance companies, banks, trust companies, and the State School Fund and may be used as collateral to secure legal obligations.

Enacted by Chapter 270, 1997 General Session

63B-6-216. Publication of resolution or notice -- Limitation on actions to contest legality.

(1) The commission may:

(a) publish any resolution it adopts under this chapter:

(i) once in a newspaper having general circulation in Utah; and

(ii) as required in Section 45-1-101; or

(b) in lieu of publishing the entire resolution, publish a notice of bonds to be issued, titled as such, containing the information required by Subsection 11-14-316(2).

(2) (a) Any interested person, for 30 days after the date of publication, may contest:

- (i) the legality of the resolution;
- (ii) any of the bonds authorized under it; or
- (iii) any of the provisions made for the security and repayment of the bonds.

(b) After 30 days, a person may not contest the legality of the resolution, any of the bonds authorized under it, or any of the provisions made for the security and repayment of the bonds for any cause.

Amended by Chapter 388, 2009 General Session

63B-6-217. Report to Legislature.

The governor shall report the commission's proceedings to each annual general session of the Legislature in his budget for as long as bonds issued under this chapter remain outstanding.

Enacted by Chapter 270, 1997 General Session

63B-6-301. Definitions.

As used in this part:

(1) "Bond anticipation note" means a note issued in anticipation of the receipt of the proceeds of the sale of the bonds authorized under Part 2 of this chapter.

(2) "Flexible note" means a bond anticipation note whose interest is payable at, and on one or more dates before, maturity.

(3) (a) "Short-term series note" means a bond anticipation note that is one of a series of notes issued pursuant to a financing program under which it is expected that:

(i) each note will be paid from the proceeds of one or more renewal notes of that series; and

(ii) the final note or notes of the series will be paid from:

(A) the proceeds of bonds in anticipation of the receipt of which the note or notes were issued; or

(B) money of the state on hand and legally available for that purpose.

(b) "Short-term series note" includes any note issued pursuant to a revolving credit agreement or other similar liquidity facility for the purpose of renewing or paying outstanding short-term series notes on their stated maturity dates when those short-term series notes are not renewed or paid from the proceeds of one or more other renewal notes of the series.

Enacted by Chapter 270, 1997 General Session

63B-6-302. Authorization, terms, and procedures.

(1) The state treasurer may, by written order, issue bond anticipation notes and renewals of bond anticipation notes, including, but not limited to, flexible notes and short-term series notes, in the form and with the terms that he determines.

- (2) The state treasurer may:
- (a) enter into whatever agreements with other persons that he considers necessary or appropriate in connection with the issuance, sale, and resale of the notes; and
 - (b) resell or retire any notes purchased by the state before the stated maturity of those notes.
- (3) (a) The notes and renewals of the notes shall:
- (i) bear the interest rate or rates as determined by the state treasurer; and
 - (ii) mature within a period not to exceed three years.
- (b) The notes and renewals of notes may:
- (i) bear a variable interest rate; and
 - (ii) be redeemed prior to maturity by the state treasurer, but only in accordance with the provisions of the notes relating to redemption prior to maturity.
- (4) The proceeds from the sale of the notes may be used only for:
- (a) the purposes established in Section 63B-6-202;
 - (b) the payment of principal of and, if not otherwise provided, interest on, bond anticipation notes;
 - (c) the payment of costs of issuance; or
 - (d) any combination of Subsections (4)(a), (b), and (c).
- (5) (a) All of the notes and any renewals of the notes shall be payable from the proceeds of the sale of bonds.
- (b) A renewal of any note may not be issued after the sale of bonds in anticipation of which the original note was issued.
- (6) If a sale of the bonds has not occurred before the maturity of the notes issued in anticipation of the sale, the state treasurer shall, in order to meet the notes then maturing:
- (a) issue renewal notes for that purpose;
 - (b) pay the notes from state money legally available for paying those notes; or
 - (c) any combination of Subsections (6)(a) and (b).
- (7) Each note and any renewal of any note, with the interest on the note or renewal, constitute general obligations of the state.
- (8) Each note and any renewal of any note, with the interest on the note or renewal, shall be:
- (a) secured by the full faith, credit, and resources of the state in the manner provided in Part 2 of this chapter;
 - (b) payable from:
 - (i) the proceeds of the sale of the bonds and not from any other borrowing; and
 - (ii) money of the state on hand and legally available for that purpose; or
 - (iii) any combination of Subsections (8)(b)(i) and (ii); and
 - (c) payable within five years from the date of original issue.
- (9) The total amount of notes or renewals of notes issued and outstanding at any one time may not exceed the lesser of:
- (a) the total amount of bonds authorized to be issued but not yet issued; or
 - (b) \$260,000,000.
- (10) The state treasurer shall, in his annual report to the governor, include a detailed statement of all notes and bonds issued during the year and of his actions in

relation to them.

Enacted by Chapter 270, 1997 General Session

63B-6-303. Purchase and redemption requirements.

(1) The notes and renewals of notes may provide the holders of the notes or renewals of notes with the right to require the state or other persons to purchase or redeem the notes or renewal notes before the stated maturity of the notes or renewals.

(2) Notwithstanding Subsection (1), the holders of the notes and renewals of notes may not be provided with the right to require the state to repurchase or redeem the notes and renewals of the notes before their stated maturity unless the state has entered into one or more letter of credit agreements or other liquidity facility agreements:

(a) for the express purpose of those sales;

(b) that require a financially responsible party or parties to the agreement or agreements, other than the state, to purchase or redeem all or any portion of the notes and renewals of notes tendered by the holders of the notes or renewals of notes for repurchase or redemption before the stated maturity of the notes and renewals of notes; and

(c) that continue until the right of the holders of the notes and renewals of notes to require repurchase or redemption of the notes and renewals of notes before the stated maturity has ceased.

Enacted by Chapter 270, 1997 General Session

63B-6-304. General provisions -- Funds and accounts.

(1) (a) Sections 63B-6-205, 63B-6-206, 63B-6-213, 63B-6-214, 63B-6-215, and 63B-6-216 apply to any notes or renewals of notes issued under this part.

(b) (i) For purposes of this part, any action that those sections require or permit the commission to take shall be considered sufficient if taken by the state treasurer.

(ii) The treasurer may take action by issuing a written order, or in some other manner that he finds necessary or convenient, to accomplish the purposes of this part.

(2) The treasurer may:

(a) in a written order, establish whatever funds and accounts are necessary or desirable to carry out the purposes of this part; and

(b) until the money is needed for the purpose for which the fund or account was created, invest the money held in those funds and accounts by following the procedures and requirements of Title 51, Chapter 7, State Money Management Act.

Amended by Chapter 342, 2011 General Session

63B-6-401. State Bonding Commission authorized to issue general obligation bonds.

The commission created under Section 63B-1-201 may issue and sell general obligation bonds of the state pledging the full faith, credit, and resources of the state for the payment of the principal of and interest on the bonds to provide funds to the State

Tax Commission.

Enacted by Chapter 391, 1997 General Session

63B-6-402. Maximum amount -- Projects authorized.

(1) The total amount of bonds issued under this part may not exceed \$9,000,000.

(2) (a) Proceeds from the issuance of bonds shall be provided to the State Tax Commission to provide funds to pay all or part of the cost of the project described in this Subsection (2).

(b) These costs may include:

(i) the cost of acquisition, development, and conversion of computer hardware and software for motor vehicle fee systems and tax collection and accounting systems of the state;

(ii) interest estimated to accrue on these bonds during the period to be covered by that development and conversion, plus a period of six months following the completion of the development and conversion; and

(iii) all related engineering, consulting, and legal fees.

(c) For the State Tax Commission, proceeds shall be provided for the following:

PROJECT DESCRIPTION	AMOUNT FUNDED
UTAX SYSTEMS ACQUISITION AND DEVELOPMENT	\$8,500,000

(3) The commission, by resolution may decline to issue bonds if the project could be construed to violate state law or federal law or regulation.

(4) (a) For this project, for which only partial funding is provided in Subsection (2), it is the intent of the Legislature that the balance necessary to complete the project be addressed by future Legislatures, either through appropriations or through the issuance or sale of bonds.

(b) The State Tax Commission may enter into contracts for amounts not to exceed the anticipated full project funding but may not allow work to be performed on those contracts in excess of the funding already authorized by the Legislature.

(c) Those contracts shall contain a provision for termination of the contract for the convenience of the state.

(d) It is also the intent of the Legislature that this authorization to the State Tax Commission does not bind future Legislatures to fund projects initiated from this authorization.

Amended by Chapter 196, 2014 General Session

63B-6-403. Use of bond proceeds for issuance and other costs.

The proceeds of bonds issued under this chapter shall be used for the purposes described in Section 63B-6-402 and to pay all or part of any cost incident to the issuance and sale of the bonds including, without limitation, printing, registration and transfer costs, legal fees, trustees' fees, financial advisors' fees, and underwriters'

discounts.

Enacted by Chapter 391, 1997 General Session

63B-6-404. Manner of issuance -- Amounts, interest, and maturity.

(1) Bonds issued under this chapter may be authorized, sold, and issued at times and in a manner determined by the commission by resolution.

(2) Bonds may be issued in one or more series, in amounts, and shall bear dates, interest rate or rates, including a variable rate, and maturity dates as the commission determines by resolution.

(3) A bond issued may not mature later than 20 years after the date of final passage of this chapter.

Enacted by Chapter 391, 1997 General Session

63B-6-405. Terms and conditions of sale -- Plan of financing -- Signatures -- Replacement -- Registration -- Federal rebate.

(1) In the issuance of bonds, the commission may determine by resolution:

(a) the manner of sale, including public or private sale;

(b) the terms and conditions of sale, including price, whether at, below, or above face value;

(c) denominations;

(d) form;

(e) manner of execution;

(f) manner of authentication;

(g) place and medium of purchase;

(h) redemption terms; and

(i) other provisions and details it considers appropriate.

(2) The commission may by resolution adopt a plan of financing, which may include terms and conditions of arrangements entered into by the commission on behalf of the state with financial and other institutions for letters of credit, standby letters of credit, reimbursement agreements, and remarketing, indexing, and tender agent agreements to secure the bonds, including payment from any legally available source of fees, charges, or other amounts coming due under the agreements entered into by the commission.

(3) (a) Any signature of a public official authorized by resolution of the commission to sign the bonds may be a facsimile signature of that official imprinted, engraved, stamped, or otherwise placed on the bonds.

(b) If all signatures of public officials on the bonds are facsimile signatures, provision shall be made for a manual authenticating signature on the bonds by or on behalf of a designated authentication agent.

(c) If an official ceases to hold office before delivery of the bonds signed by that official, the signature or facsimile signature of the official is nevertheless valid for all purposes.

(d) A facsimile of the state seal may be imprinted, engraved, stamped, or otherwise placed on the bonds.

(4) (a) The commission may enact resolutions providing for the replacement of lost, destroyed, or mutilated bonds, or for the exchange of bonds after issuance for bonds of smaller or larger denominations.

(b) Bonds in changed denominations shall:

(i) be exchanged for the original bonds in like aggregate principal amounts and in a manner that prevents the duplication of interest; and

(ii) bear interest at the same rate, mature on the same date, and be as nearly as practicable in the form of the original bonds.

(5) (a) Bonds may be registered as to both principal and interest or may be in a book entry form under which the right to principal and interest may be transferred only through a book entry.

(b) The commission may provide for the services and payment for the services of one or more financial institutions or other entities or persons, or nominees, within or outside the state, for the authentication, registration, transfer, including record, bookkeeping, or book entry functions, exchange, and payment of the bonds.

(c) The records of ownership, registration, transfer, and exchange of the bonds, and of persons to whom payment with respect to the obligations are made, are private records as provided in Section 63G-2-302 or protected records as provided in Section 63G-2-305.

(d) The bonds and any evidences of participation interest in the bonds may be issued, executed, authenticated, registered, transferred, exchanged, and otherwise made to comply with Title 15, Chapter 7, Registered Public Obligations Act, or any other act of the Legislature relating to the registration of obligations enacted to meet the requirements of Section 149 of the Internal Revenue Code of 1986, as amended, or any successor to it, and applicable regulations.

(6) The commission may:

(a) by resolution, provide for payment to the United States of whatever amounts are necessary to comply with Section 148 (f) of the Internal Revenue Code of 1986, as amended; and

(b) enter into agreements with financial and other institutions and attorneys to provide for:

(i) the calculation, holding, and payment of those amounts; and

(ii) payment from any legally available source of fees, charges, or other amounts coming due under any agreements entered into by the commission.

Amended by Chapter 382, 2008 General Session

63B-6-406. Constitutional debt limitation.

(1) The commission may not issue bonds under this chapter in an amount that violates the limitation described in Utah Constitution Article XIV, Section 1.

(2) For purposes of applying the debt limitation contained in Utah Constitution Article XIV, Section 1, the value of the taxable property in Utah is considered to be 100% of the fair market value of the taxable property of the state, as computed from the last assessment for state purposes previous to the issuance of the bonds.

Enacted by Chapter 391, 1997 General Session

63B-6-407. Tax levy -- Abatement of tax.

(1) Each year after issuance of the bonds and until all outstanding bonds are retired, there is levied a direct annual tax on all real and personal property within the state subject to state taxation, sufficient to pay:

- (a) applicable bond redemption premiums, if any;
- (b) interest on the bonds as it becomes due; and
- (c) principal of the bonds as it becomes due.

(2) (a) The State Tax Commission shall fix the rate of the direct annual tax levy each year.

(b) The tax shall be collected and the proceeds applied as provided in this chapter.

(3) The direct annual tax imposed under this section is abated to the extent money is available from sources, other than ad valorem taxes in the sinking fund, for the payment of bond interest, principal, and redemption premiums.

Enacted by Chapter 391, 1997 General Session

63B-6-408. Creation of sinking fund.

(1) There is created a sinking fund, to be administered by the state treasurer, entitled the "1997 General Obligation Project Bonds Sinking Fund."

(2) All money deposited in the sinking fund, from whatever source, shall be used to pay debt service on the bonds.

(3) The proceeds of all taxes levied under this chapter are appropriated to this fund.

(4) The state treasurer may create separate accounts within the sinking fund for each series of bonds issued.

Enacted by Chapter 391, 1997 General Session

63B-6-409. Payment of interest, principal, and redemption premiums.

(1) The Division of Finance shall draw warrants on the state treasury before any interest, principal, or redemption premiums become due on the bonds.

(2) After receipt of the warrants, the state treasurer shall:

- (a) promptly pay the warrants from funds within the sinking fund; and
- (b) immediately transmit the amount paid to the paying agent for the bonds.

Enacted by Chapter 391, 1997 General Session

63B-6-410. Investment of sinking fund money.

(1) The state treasurer may, by following the procedures and requirements of Title 51, Chapter 7, State Money Management Act, invest any money contained in the sinking fund until it is needed for the purposes for which the fund is created.

(2) Unless otherwise provided in the resolution of the commission authorizing the issuance of bonds under this chapter, the treasurer shall retain all income from the investment of any money contained in the sinking fund in the sinking fund and use it for the payment of debt service on the bonds.

Enacted by Chapter 391, 1997 General Session

63B-6-411. Bond proceeds -- Deposits -- Investment -- Disposition of investment income and unexpended proceeds.

(1) (a) Proceeds from the sale of bonds issued under this chapter shall be deposited within one or more accounts as determined by resolution of the commission.

(b) The state treasurer shall administer and maintain these accounts unless otherwise provided by the commission by resolution.

(c) The commission by resolution may provide for the deposit of the money with a trustee and the administration, disposition, or investment of the money by this trustee.

(2) (a) The commission by resolution shall provide for the kinds of investments in which the proceeds of bonds issued under this chapter may be invested.

(b) Income from the investment of proceeds of bonds issued under this chapter shall be applied as provided by resolution of the commission.

(3) Any unexpended bond proceeds issued under this chapter shall be deposited, upon completion of the purposes for which the bonds were issued, in the sinking fund, unless otherwise provided in the resolution of the commission authorizing the issuance of bonds under this chapter.

Amended by Chapter 342, 2011 General Session

63B-6-412. Refunding of bonds.

(1) The commission may provide for the refunding of any of the bonds in accordance with Title 11, Chapter 27, Utah Refunding Bond Act.

(2) For purposes of Title 11, Chapter 27, Utah Refunding Bond Act, the state of Utah is considered the public body and the commission its governing body.

Enacted by Chapter 391, 1997 General Session

63B-6-413. Certification of satisfaction of conditions precedent -- Conclusiveness.

(1) The commission may not issue any bond under this chapter until it finds and certifies that all conditions precedent to issuance of the bonds have been satisfied.

(2) A recital on any bond of this finding and certification conclusively establishes the completion and satisfaction of all conditions precedent.

Enacted by Chapter 391, 1997 General Session

63B-6-414. Tax exemption.

The bonds issued under this chapter, any interest paid on the bonds, and any income from the bonds are not taxable in this state for any purpose, except for the corporate franchise tax.

Enacted by Chapter 391, 1997 General Session

63B-6-415. Legal investment status.

Bonds issued under this chapter are legal investments for all state trust funds, insurance companies, banks, trust companies, and the State School Fund and may be used as collateral to secure legal obligations.

Enacted by Chapter 391, 1997 General Session

63B-6-416. Publication of resolution or notice -- Limitation on actions to contest legality.

- (1) The commission may:
 - (a) publish any resolution it adopts under this chapter:
 - (i) once in a newspaper having general circulation in Utah; and
 - (ii) as required in Section 45-1-101; or
 - (b) in lieu of publishing the entire resolution, publish a notice of bonds to be issued, titled as such, containing the information required in Subsection 11-14-316(2).
- (2) (a) Any interested person, for 30 days after the date of publication, may contest:
 - (i) the legality of the resolution;
 - (ii) any of the bonds authorized under it; or
 - (iii) any of the provisions made for the security and repayment of the bonds.
- (b) After 30 days, a person may not contest the legality of the resolution, any of the bonds authorized under it, or any of the provisions made for the security and repayment of the bonds for any cause.

Amended by Chapter 388, 2009 General Session

63B-6-417. Report to Legislature.

The governor shall report the commission's proceedings to each annual general session of the Legislature in his budget for as long as bonds issued under this chapter remain outstanding.

Enacted by Chapter 391, 1997 General Session

63B-6-501. Revenue bond authorizations.

- (1) (a) It is the intent of the Legislature that:
 - (i) the State Board of Regents, on behalf of the University of Utah, issue, sell, and deliver revenue bonds or other evidences of indebtedness of the University of Utah to borrow money on the credit and income and revenues of the University of Utah, other than appropriations of the Legislature, to finance the cost of constructing, furnishing, and equipping a renovation and expansion of the Robert L. Rice Stadium; and
 - (ii) Olympic funds, University funds, and activity revenues be used as the primary revenue sources for repayment of any obligation created under the authority of this Subsection (1).
- (b) The bonds or other evidences of indebtedness authorized may provide up to \$50,000,000 together with other amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements.

(2) (a) The State Building Ownership Authority, under authority of Title 63B, Chapter 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations or enter into or arrange for a lease purchase agreement in which participation interests may be created to provide up to \$350,000 for the remodeling and completion of the Wasatch Mountain State Park Clubhouse for the Division of Parks and Recreation, together with additional amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service reserve requirements.

(b) The State Building Ownership Authority shall work cooperatively with the Division of Parks and Recreation to seek out the most cost effective and prudent lease purchase plan available.

(c) It is the intent of the Legislature that park revenues be used as the primary revenue sources for repayment of any obligation created under authority of this Subsection (2).

(3) It is the intent of the Legislature that:

(a) the State Building Ownership Authority, under the authority of Title 63B, Chapter 1, Part 3, State Building Ownership Authority Act, may issue or execute obligations, or enter into or arrange for a lease purchase agreement in which participation interests may be created, to provide up to \$6,000,000 for the construction, or acquisition, or both, of liquor stores, together with additional amounts necessary to pay costs of issuance, pay capitalized interest, and fund any debt service requirements; and

(b) liquor control funds be used as the primary revenue source for the repayment of any obligation created under authority of this Subsection (3).

Amended by Chapter 382, 2008 General Session

63B-6-502. Other capital facility authorizations and intent language.

(1) It is the intent of the Legislature that the University of Utah use institutional funds to plan, design, and construct:

(a) the Health Science Lab Building under the supervision of the director of the Division of Facilities Construction and Management unless supervisory authority is delegated by the director; and

(b) the gymnastics facility under the supervision of the director of the Division of Facilities Construction and Management unless supervisory authority is delegated by the director.

(2) It is the intent of the Legislature that Southern Utah University use institutional funds to plan, design, and construct a science center addition under the supervision of the director of the Division of Facilities Construction and Management unless supervisory authority is delegated by the director.

(3) It is the intent of the Legislature that Utah Valley State College use institutional funds to plan, design, and construct a student center addition under the supervision of the director of the Division of Facilities Construction and Management unless supervisory authority is delegated by the director.

(4) (a) It is the intent of the Legislature that the Division of Facilities Construction and Management lease property at the Draper Prison to an entity for the purpose of constructing recycling and transfer facilities to employ inmates if the following conditions

are satisfactorily met:

- (i) the entity assures continuous employment of state inmates;
 - (ii) the lease with the entity provides an appropriate return to the state;
 - (iii) the lease has an initial term of not to exceed 20 years;
 - (iv) the lease protects the state from all liability;
 - (v) the entity guarantees that no adverse environmental impact will occur;
 - (vi) the state retains the right to:
 - (A) monitor the types of wastes that are processed; and
 - (B) prohibit the processing of types of wastes that are considered to be a risk to the state or surrounding property uses;
 - (vii) the lease provides for adequate security arrangements;
 - (viii) the entity assumes responsibility for any taxes or fees associated with the facility; and
 - (ix) the entity assumes responsibility for bringing utilities to the site and any state expenditures for roads, etc. are considered in establishing the return to the state.
- (b) Except as provided in Subsections (4)(c) and (d), the facility may be constructed without direct supervision by the Division of Facilities Construction and Management.
- (c) Notwithstanding Subsection (4)(b), the Division of Facilities Construction and Management shall:
- (i) review the design, plans, and specifications of the project; and
 - (ii) approve them if they are appropriate.
- (d) Notwithstanding Subsection (4)(b), the Division of Facilities Construction and Management may:
- (i) require that the project be submitted to the local building official for plan review and inspection; and
 - (ii) inspect the project.
- (5) It is the intent of the Legislature that:
- (a) the \$221,497.86 authorized for the Capitol Hill Day Care Center in Subsection (4) of Laws of Utah 1992, Chapter 304, Section 56, be used for general capital improvements; and
 - (b) the Building Board should, in allocating the \$221,497.86, if appropriate under the Board's normal allocation and prioritization process, give preference to projects for the Division of Parks and Recreation.

Amended by Chapter 250, 2008 General Session